



State of Washington  
**PUBLIC DISCLOSURE COMMISSION**

711 Capitol Way Rm. 206, PO Box 40908 • Olympia, Washington 98504-0908 • (360) 753-1111 • FAX (360) 753-1112  
Toll Free 1-877-601-2828 • E-mail: [pdcc@pdcc.wa.gov](mailto:pdcc@pdcc.wa.gov) • Website: [www.pdca.wa.gov](http://www.pdca.wa.gov)

9:30 a.m.  
September 23, 2010

**MINUTES – REGULAR MEETING**

Evergreen Plaza Bldg. Room 206  
711 Capitol Way South  
Olympia, Washington

**COMMISSION MEMBERS PRESENT**

Dave Seabrook, Chair  
Jennifer Joly, Secretary  
Jim Clements, Member  
Jane Noland, Member

**STAFF PRESENT**

Doug Ellis, Interim Executive Director  
Nancy Krier, General Counsel  
Linda Dalton, Sr. Asst. Attorney General  
Michael Smith, Chief Technology Officer  
Lori Anderson, Communications and Training Officer  
Suemary Trobaugh, Administrative Officer  
Phil Stutzman, Director of Compliance  
Kurt Young, Compliance Officer  
Jana Greer, Confidential Secretary

The regular meeting of the Public Disclosure Commission was called to order by Commission Chair Dave Seabrook at 9:30 a.m. in the Evergreen Plaza Building, Room 206 Olympia, Washington.

**Citizen Comments/Concerns**

No citizen comments or concerns were expressed.

**Commissioner Comments**

No comments were expressed.

**Minutes**

August 26, 2010.

**Motion 10-119**

Moved by Commissioner Clements, seconded by Commissioner Joly:

**The Commission adopts the minutes of August 26, 2010, as written.**

The motion passed unanimously.

**Minutes**

September 15, 2010.

Nancy Krier noted a grammatical correction needed in the September 15, 2010 meeting minutes:

**Motion 10-120**

Moved by Commissioner Clements, seconded by Commissioner Joly:

**The Commission adopts the minutes of September 15, 2010, as amended.**

The motion passed unanimously.

### Rule Making

Public hearing and possible permanent adoption of amendments to:

- WAC 390-16-038 Definition – Aggregate.
- WAC 390-16-309 Identification of affiliated entities.
- WAC 390-17-302 Contributions after the primary election.

Lori Anderson reviewed the proposed amended WACs. She noted the Commission approved the draft language at the June 2010 Commission meeting.

There was no public comment on the proposed amended rules.

### **Motion 10-121**

Moved by Commissioner Joly, seconded by Commissioner Noland:

**The Commission adopts amended WAC 390-16-038, WAC 390-16-309, and WAC 390-17-302 as submitted.**

The motion passed unanimously.

- WAC 390-13-100 Duties of elections officials receiving copies of campaign finance reports.
- WAC 390-16-011 Forms – Registration statement for political committees.
- WAC 390-16-012 Forms – Registration statement for candidates.
- WAC 390-16-041 Forms – Summary of total contributions and expenditures.
- WAC 390-16-115 Mini campaign reporting – Conditions for granting use.
- WAC 390-19-030 Electronic filing – Reporting threshold.

Lori Anderson reviewed the proposed amended WACs and the proposed repeal of WAC 390-16-314.

She noted the Commission approved the draft language at the July 2010 Commission meeting.

There was no public comment on the proposed amended rules or repeal.

And a possible repeal of:

- WAC 390-16-314 Independent expenditure – Disclosure.

**Motion 10-122**

Moved by Commissioner Clements, seconded by Commissioner Joly:

**The Commission adopts amended WAC 390-13-100, WAC 390-16-011, and WAC 390-16-012, WAC 390-16-041, WAC 390-16-115, and WAC 390-19-030 as submitted.**

**The Commission repeals WAC 390-16-314.**

The motion passed unanimously.

Strategic Plan Update

- Action Item 1-3(b):  
Complaint Dismissal  
Process.

The Commission continued its discussion from the August 2010 Commission meeting regarding Strategic Plan item 1-3.

Nancy Krier presented the options that staff had identified for the Commission's consideration. She provided an executive summary of how complaints are currently dismissed.

Doug Ellis continued with a brief review of the complaint process.

The Commission suggested possible options for staff recommendations that would more clearly state the Commission has not made a final decision on the matter.

Doug Ellis stated that staff would review Commission suggestions and provide recommendations on how to proceed with the complaint dismissal process at a future meeting.

Agency Budget Update

Doug Ellis discussed the Governor's Executive Order 10-04, across-the-board reduction in allotments to all state agencies, and the expected outcome and impact for the agency.

Doug discussed how the reductions would be achieved; he reviewed the ramifications of the order and the proposed staff reductions that would be necessary to comply with the order.

He also discussed the options for a 10% reduction of the agency's 2011-13 maintenance level funding. A decision package will be prepared and submitted to the Office of Financial Management (OFM).

Commissioner Seabrook asked that the Commission set aside a designated amount of time at the January 2011 Commission meeting to discuss the time-frame and process for hiring an Executive Director.

Divisional Reports

Training/Outreach

Lori Anderson presented a report about the Communications and Training Division and the work of the staff members for the last fiscal year.

Administration/Collection  
Process

Suemary Trobaugh presented a penalty/collection process update.

She also discussed the levels of incoming activity to the agency via telephone calls and accessing the agency website.

Initiative Money Map

Michael Smith demonstrated the state-wide Ballot Initiative Money Map on the agency website. It is anticipated to launch within the next week.

New York Times Article

Nancy Krier discussed a New York Times article on tax exempt organizations and their campaign activity.

Revised Code of Judicial Conduct

Nancy provided an update on the revised Code of Judicial Conduct and how it refers to the Public Disclosure Commission in terms of judicial campaign activity.

Executive Session/Lunch

The Commission went into executive session at 12:03 p.m. to discuss pending litigation with legal counsel.

The Commission returned to public session at 1:00 p.m.

Staff Reports

Interim Executive Director

Doug Ellis reviewed the agency budget status as of August 31, 2010 and the status of compliance cases.

Chief Technology Officer

Michael Smith provided the Commission with a division status report. In addition to his written report Michael discussed the current issue with the main uninterruptable power supply (UPS) and noted that this will need to be replaced by the end of the biennium.

General Counsel

Nancy Krier, in addition to her written report, provided an update on the Family PAC v. McKenna case.

Enforcement Matters and  
Modifications

1. Possible Report or Other  
Action and Modification  
Request

- *Grant Degginger, PDC*

Phil Stutzman provided a report on the allegations in the 45-day citizen action letter.

Staff concludes that if the reporting modification is approved by the Commission then Mr. Degginger

Case #11-017, alleged violations of RCW 42.17.241 by not filing timely and accurate Statements of Financial Affairs (PDC Form F-1).

- Modification Request: Mr. Degginger is requesting a retroactive modification that would exempt him from reporting several of the business customers that made payments of \$10,000 or more to the law firm of Lane Powell, PC, of which he is a member, for calendar years 2006-2009.

**Motion 10-123**

would be in substantial compliance and the Commission should then recommend that the Attorney General take no action with the 45-day letter.

Mr. Degginger was present and addressed the Commission.

Kurt Young presented the reporting modification request of Mr. Degginger and the staff recommendation.

Moved by Commissioner Joly, seconded by Commissioner Clements:

**The Commission grants a reporting modification retro-actively as requested.**

**The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.**

The motion passed unanimously.

**Motion 10-124**

Moved by Commissioner Joly, seconded by Commissioner Clements:

**In PDC Case #11-017, the Commission recommends the Office of the Attorney General take no further action on the 45-day citizen action letter alleging Grant Degginger violated of RCW 42.17.241.**

The motion passed unanimously.

**2. Possible Report or Other Action**

- *Orin Smith, PDC Case #11-016*, alleged violations of RCW 42.17.241 by not filing timely and accurate Statements of Personal Financial Affairs (PDC Form F-1).

Phil Stutzman provided a report on the allegations in the 45-day citizen action letter.

Staff recommends that the Attorney General take no action on the 45-day letter alleging Mr. Smith violated RCW 42.17.241.

**Motion 10-125**

Moved by Commissioner Joly, seconded by  
Commissioner Clements:

**In PDC Case #11-016, the Commission recommends the Office of the Attorney General take no further action on the 45-day citizen action letter alleging Orin Smith violated of RCW 42.17.241.**

The motion passed unanimously.

3. Requests for Reconsideration

- *William Atkinson, PDC Case #10-071, School Board Member, Skykomish School District.* Found in violation of RCW 42.17.240 for failing to file a Statement of Personal Financial Affairs (PDC Form F-1) and assessed a penalty of \$500.

Kurt Young presented the request for reconsideration.

Staff recommends the Commission reconsider PDC Case #10-071 and open the case for discussion in light of new information presented in the request.

**Motion 10-126**

Moved by Commissioner Clements, seconded by  
Commissioner Noland:

**The Commission grants the request for reconsideration of PDC Case #10-071.**

The motion passed unanimously.

**Motion 10-127**

Moved by Commissioner Clements, seconded by  
Commissioner Joly:

**The Commission suspends the \$150 penalty originally assessed in PDC Case #10-071.**

The motion passed unanimously.

Adjournment

Chair Seabrook adjourned the meeting at 1:40 p.m.

Approved by the Commission on October 28, 2010.